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RUCPDOC/USDOC WASHDC

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SIPDIS

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USDOC FOR ITA/MAC/OIPR

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GENEVA FOR USTR

E.O. 12958: N/A

TAGS: ECON ETRD KIPR MY

SUBJECT: MALAYSIA: MCDONALD'S LOSES TRADEMARK INFRINGEMENT BATTLE
TO MCCURRY

Summary and Comment

¶11. (SBU) McDonald's lost an eight-year old trademark infringement battle in court last week against Malaysian Indian food restaurant, McCurry. Malaysia's Federal Court affirmed the Court of Appeal's verdict that allowed McCurry to continue using the "Mc" prefix in its name. McDonald's lawyers said that the company would abide by the judgment. End Summary.

¶12. (SBU) Comment: By taking McCurry to court over the potential trademark infringement, McDonald's demonstrated its intent to vigorously defend its trademark and brand. In the end, McDonald's was not able to demonstrate infringement in a manner that met Malaysian legal standards, and thus the Federal Court concluded that the "case has no merit." The timeline and progress of the case appeared to follow Malaysian standards. End Comment.

The Final Ruling

¶13. (SBU) The Federal Court of Malaysia ruled on September 8 that McDonald's cannot appeal against the Court of Appeal's verdict that allowed Malaysian Indian food restaurant McCurry to continue using "Mc" in its name. The Federal Court unanimously dismissed McDonald's application for leave to appeal against the Court of Appeal's finding over the use of the prefix 'Mc.' The Federal Court also ordered McDonald's to pay approximately USD 2,900 to McCurry to cover costs. The Chief Judge Arifin Zakaria said that "on the basis of unanimous decision, our view is that McDonald's plea to carry the case forward has no merit." McDonald's lawyers said that the company will abide by the judgment. The owner's of McCurry said that interest in their restaurant has increased because of the publicity, and that they are considering franchising opportunities.

History and decision

¶14. (SBU) McDonald's filed the dispute initially in the High Court of Kuala Lumpur (NOTE: The initial court stage in commercial dispute cases in Malaysia) in 2006, and the court ruled in favor of McDonald's the same year. The Court of Appeal's overturned the High Court ruling in April 2009 in favor of McCurry.

¶15. (SBU) The Court of Appeal's decision held that there was no evidence to show that McCurry Restaurant was passing off McDonald's business as its own. McCurry's signboard has white and grey letters on a red background with a picture of a smiling chicken, in contrast to McDonald's red and yellow "M" logo, the court said. Also, McCurry serves only Indian food, thus not competing with McDonald's western menu. Appeal's Court Judge Gopal Sri Ram in his judgment wrote, "In my judgment, the irresistible inference to be drawn from

the totality of the evidence is that McCurry's Restaurant signboard would not result in reasonable persons associating McCurry with the McDonald's mark."

KEITH